

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING A LETTER OF INTENT BEFORE LEGISLATION FOR AN ADDITIONAL EXEMPTION FROM THE WORKERS' COMPENSATION ACT IS CONSIDERED BY THE LEGISLATURE."

WHEREAS, pursuant to the public policy stated in 39-71-105, it is the intent of the legislature that the workers' compensation system provide protections for employees that are affordable for employers; and

WHEREAS, in order for the workers' compensation system to remain solvent it must be as broad based as possible in its coverage.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. **Letter of intent to create a new exemption from the workers' compensation act required.** (1) A bill draft request to create and list an additional exemption under 39-71-401(2) must include a letter of intent not exceeding 1,000 words that addresses the criteria of subsection (2).

(2) The letter of intent must contain a good faith effort to provide the following:

- (a) an estimate of the number of employees who would become exempt from coverage of the act;
 - (b) an estimate of the number of employers who would no longer be required to provide workers' compensation coverage to the exempt workers;
 - (c) an analysis of where the costs of injury will shift to;
 - (d) an analysis of the change in potential liability to an employer if an exempt employee is injured;
 - (e) an estimate of the percentage reduction in total employment payroll covered by the act; and
 - (f) an estimate of the percentage premium increase charged to other employers due to the exemption.
 - (g) an explanation of the possible social costs of allowing the exemption;
- (3) The legislative fiscal analyst shall provide an independent assessment of the letter of intent. (removed "the state compensation fund or the state insurance commissioner")
- (4) The department of labor and industry shall provide an independent assessment of the letter of intent regarding information that is within the expertise of that department.
- (5) For purposes of this section, a letter of intent is a public record.
- (6) A bill draft request submitted without this letter shall not be processed for introduction to the legislature.